

NOTE C: Determine the amount of variable costs, including unrelated, by using Statement No. 6–68, Highway Form B, Schedule A, line 111, column (3) multiplied by 90 percent to obtain the variable portion.

NOTE D: Show variable expenses allocated to the issue traffic based on an expansion of a sample to a full year.

FOOTNOTES TO APPENDIX I:

Explanatory: The Purpose of Appendix I is twofold, namely: (1) to obtain, through part I, *Revenue Need*, an indication of the past actual, present, and restated system revenue needs of the traffic and cost study carriers, which, along with the financial data required in appendix B, will facilitate an analysis of the financial stability of these carriers, and (2) to allocate a part of these system revenue needs to the traffic at issue as provided for in part II, line 13. It is that portion of constant and sum of money costs resulting from this allocation plus the related variable expenses (line 14) which produces the total costs assigned to the issue traffic (line 16) which is then compared to the issue traffic revenues in the revenue-to-cost comparison shown on line 17. This comparison provides some indication of how much the total issue traffic is contributing to the carriers' overall revenue needs; and serves as a reference point for the consideration of ratemaking factors, other than costs, which may influence the appropriateness of the issue traffic's contribution.

Appendix I data should be completed and submitted for all traffic and cost study carriers combined. However, data for the "base calendar year—actual," column (3), should be developed and completed for each traffic and cost study carrier and the results combined for all such carriers. The data in part I, columns (4) through (7), which reflect an updating of revenue need data for the "base calendar year—actual" to present and restated levels, should be developed on either an individual carrier basis, or on a composite carrier basis comprised of all traffic and cost study carriers. Data in part II, line 14 columns (4) through (7), which reflect an updating of the cost and traffic study data for the "base calendar year—actual" to present and restated levels, should be developed by the use of either individual carrier data for each of the study carriers, or the composite carrier data for those study carriers whose revenues from the issue traffic amount to 50 percent or more of their total system revenues for the "base calendar year—actual." However, for line 14, the method selected should be the same as that used to update the operating ratios to present and restated levels as required in .3 *Cost study*. As indicated above, appendix I data should be completed and submitted only for all traffic and cost study carriers combined. Since appendix I are to be submitted on a combined carrier basis, any underlying individual carrier data used to complete this appendix should be furnished to the Board for its use as well as for the use of parties opposing the sought increases. Data in columns (4) through (7) must be appropriately explained and supported. Each of the dollar figures called for in these columns shall be accompanied by an explanation of the bases or methods of restatement, including explicit identification of all projected or assumed changes in revenues, in wage rates, in price levels of other expenses and property items, and in productivity, as compared with the preceding (actual) year results. Note that the time periods referred to in appendix I, that is, "Base calendar year—actual," "Present proforma year" and "Restated proforma year" are the same time periods indicated in § 1139.3, *Cost study*.

¹ Sources in this column apply to column (3) "Base calendar year—actual." Data for columns (4) through (7) should rely on column (3) as a base in order to reflect data for the "Present proforma year" and the "Restated proforma year." Annual report sources apply to class I motor carriers for class II carriers use comparable sources.

² The data in column (3) should reflect the revenue need data (part I), and the traffic and cost study data (part II), for the traffic study year. That is, the "Base calendar year—actual," which should coincide with the "Base calendar year—actual" referred to in the *Cost study* (§ 1139.3). Parts I and II should be completed for each individual study carrier—the purpose being to allocate a portion of each carrier's system revenue need to the traffic at issue as provided for in part II. The results for all study carriers should then be aggregated and submitted on a combined carrier basis.

³ The data in column (4) should be based on present wage, price and productivity levels and reflect conditions prevailing on a date no later than the 45 days prior to the date of the tariff filing.

⁴ The data in columns (5), (6), and (7) should be based on wage, price, and productivity levels anticipated on the effective date of the proposed rates.

⁵ The purpose of this column is to obtain data on what system revenue needs of the study carriers *should* be at a giving time. Part I should consider the sum of money in addition to operating expenses (including that needed to attract debt and equity capital) which the carriers feel they require to insure financial stability and the capacity to render service.

⁶ In columns (4) through (7), show income taxes based on estimated taxable income reduced by the taxes applicable to other income such as, for example, capital gains transactions.

⁷ In columns (4) through (7), determine the net income based on data shown for lines 1 through 7. In column (7), the estimate of the net income needed should be supported by evidence that it is a just and reasonable amount.

⁸ Show expenses and revenues allocated to the total issue traffic based on an expansion of the sample to a full year. The amount shown on line 14 for variable expenses should agree with that shown in Method B, line (d).

[47 FR 49579, Nov. 1, 1982; 47 FR 54081, Dec. 1, 1982]

APPENDIX II TO SUBPART A OF PART 1139—FINANCIAL RATIOS (TRAFFIC AND COST STUDY CARRIER _____)

[Complete appendix II for each traffic and cost study carrier and for all such carriers combined]

Line No.	Item	Source ¹	Third preceding calendar year (actual)	Second preceding calendar year (actual)	First preceding calendar year (actual or estimated)
	(1)	(2)	(3)	(4)	(5)
1	Current assets ²	A.R. Sch. 100, L. 18	\$	\$	\$
2	Net carrier operating property (owned) ²	A.R. Sch. 100, L. 21.			
3	Net carrier operating property (owned plus leased to others) ²	A.R. Sch. 100, L. 21+L. 23.			
4	Net tangible property ²	A.R. Sch. 100, L. 26.			
5	Intangibles ²	A.R. Sch. 100, L. 32.			
6	Current liabilities ²	A.R. Sch. 101, L. 13.			
7	Long-term debt ²	A.R. Sch. 101, L. 15+L. 25.			
8	Shareholders' equity ²	A.R. Sch. 101, L. 55.			
9	Operating revenues	A.R. Sch. 2998, L. 3.			
10	Depreciation plus or minus depreciation adjustment.	A.R. Sch. 2998, L. 6+ or - L. 7.			
11	Operating expenses	A.R. Sch. 2998, L. 10.			
12	Net carrier operating income	A.R. Sch. 2998, L. 14.			
13	Ordinary income before income taxes	A.R. Sch. 2998, L. 28.			

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[Complete appendix II for each traffic and cost study carrier and for all such carriers combined]

Line No.	Item	Source ¹	Third preceding calendar year (actual)	Second preceding calendar year (actual)	First preceding calendar year (actual or estimated)
	(1)	(2)	(3)	(4)	(5)
14	Net income or loss	A.R. Sch. 2998, L. 35.			
15	Net income or loss plus or minus depreciation ³	L. 10 Plus L. 14	\$	\$	\$
16	Percent owned and leased property to net tangible property (3 decimals).	L. 3÷L. 4	%	%	%
17	Investment in owned and leased property plus working capital ⁴	\$	\$	\$
18	Shareholders' equity less intangibles	L. 8 - L. 5	\$	\$	\$
19	Long-term debt plus shareholders' equity less intangibles.	L. 7+L. 18	\$	\$	\$
20	Operating ratio (2 decimals)	L. 11÷L. 9	%	%	%
21	Current ratio (2 decimals)	L. 1÷L. 6.			
22	Ratio net income or loss to operating revenue (2 decimals).	L. 14÷L. 9	%	%	%
23	Rate of return on owned and leased operating property plus working capital (2 decimals).	L. 12÷L. 17	%	%	%
24	Rate of return on shareholders' equity less intangibles (2 decimals).	L. 14÷L. 18	%	%	%
25	Capital structure ratio (2 decimals)	L. 7÷L. 19	%	%	%
26	Throwoff to debt ratio (2 decimals)	L. 15÷L. 7	%	%	%
27	Ratio long-term debt to shareholders' equity less intangibles (2 decimals).	L. 7÷L. 18	%	%	%

¹ Annual report sources refer to 1970 Motor Carrier Annual Report Form A for Class I Motor Carriers of Property. For class II carriers use the comparable sources. For years prior to 1970 use the comparable annual report sources.

² Show average of beginning and end of year figures.

³ If carrier shows a net income, the amount shown for depreciation should be added to it; if a net loss, then the net loss and the amount for depreciation should be netted and the appropriate figure shown.

⁴ Multiply the percent on line 16 by the difference between line 1 and line 6. Add the resulting amount to line 3.

[47 FR 49580, Nov. 1, 1982; 47 FR 54081, Dec. 1, 1982]

Subpart B—Intercity Bus Industry

SOURCE: 42 FR 32541, June 27, 1977, unless otherwise noted. Redesignated at 47 FR 49571, Nov. 1, 1982.

§ 1139.20 Application.

(a) Upon the filing by the National Bus Traffic Association, Inc., (NBTA) on behalf of its carrier members, or by such other agencies as the Board may by order otherwise designate, of agency tariff schedules which contain proposed general increases in fares or charges where such proposal would result in an increase of \$1 million or more in the annual operating revenues on the traffic affected by the proposal, the motor common carriers of passengers on whose behalf such schedules are filed shall, concurrently with the filing of those schedules, file and serve, as provided hereinafter, a verified statement presenting and comprising the entire evidential case which is relied upon to support the proposed general increase.

Carriers thus required to submit their evidence when they file their schedules are hereby notified that special permission to file those schedules shall be conditioned upon the publishing of an effective date at least 30 days later than the date of filing, to enable proper evaluation of the evidence presented. Data to be submitted in accordance with §§1139.21 through 1139.23 represent the minimum data required to be filed and served, and in no way shall be considered as limiting the type of evidence that may be presented at the time of filing of the schedules. If a formal proceeding is instituted, the carriers are not precluded from updating the evidence submitted at the time of filing of the schedules to reflect the current situation.

(b) When filing tariff schedules other than those described hereinabove, the carriers or their tariff publishing agencies shall be required to comply with such procedures as the Board may direct in the event an investigation is instituted. Nothing stated in this part